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April 5, 2011

Attn: Bill Storm, State Permit Manager  
Office of Energy Security  
MN Office of Energy Security  
85 7th Place East, Ste 500  
St. Paul, MN 55101-2198

RE: Xcel Hiawatha Project, PUC Docket No. CN-10-394

Dear Bill Storm:

I would like to begin by sharing some background on our proximity to this project. Our household lives less than 2000 feet from proposed Substation Hiawatha West or East, and less than 125 feet from the proposed HVTL along Route B. In addition to roommates, we are two families, each with one young child (2 and 3.5 yrs). All of the people who live here are year-round bikers, all of whom frequently ride the Midtown Greenway and the Hiawatha Trail, intersecting at many points underneath the proposed power lines or riding in close proximity to the substations.

We also are all very serious when it comes to doing our part to care for the earth: we reuse more than we recycle, we trade, barter and fix goods before we buy them secondhand (or bulk in the case of food), we dumpster or capture items before they hit the trash, we are remediating our toxic soil so that we can grow our own food, we grow native plants, have a large raingarden, are learning about rainwater systems, building a wind turbine, and just generally devoting our efforts to living as zero-waste and sustainably with the planet as we can. We still utilize the technology and tools we have at our disposal but primarily to learn about these systems, to organize, and to participate in a broader movement. We're not perfect, but we're ready to commit to broader scale solutions. Our efforts, however, are just a grain of sand if the larger institutions aren't willing to help us realize the harmonious vision we must share for the future.

I ask that you help us make that vision of the future a reality and deny the Certificate of Need permit.

As you undoubtedly have noticed, this has not been made a contested case, despite the long fight to request a CON hearing. One unfortunate factor in this is that our City Mayor unexpectedly stole our neighborhood's NRP (Neighborhood Revitalization Program) Phase II funds right out from under us during this process. Neighborhood organizers and volunteers suddenly were scrambling to prevent this, and both because of the time it took, and the fact that our communities lost our funds, our neighborhood organizations have no budget to commit to intervening in this CON process. Therefore, I kindly submit the following: During the Route Permit Application (PUC Docket No. E002/TL-09-38) process, many citizens, neighborhood organizations, elected officials, and business owners submitted comments testifying to the lack of need for this project, including those upon the scope of the Environmental Impact Statement. **I respectfully petition that comments previously entered pertaining to need be entered into evidence in the CON process.**

That said, I present my following comments for your purview as to the scope of the Environmental Report (ER) to be submitted to the PUC regarding the Xcel Hiawatha Project Certificate of Need permit.

First, I wish to extend to you my utmost respect for the gravity of the situation being presented here. From a mechanical perspective, I can see why Xcel's engineers suggest the installation of two additional 115kV transmission lines and two new distribution substations. I am sure our community does not want to suffer sudden service interruptions as a consequence of doing nothing. I contest, however, that Xcel's proposal will solve the issues which they propose exist.

Xcel claims that it is proposing to build the Hiawatha Project as a way to meet increasing demand, but even Xcel notes in their 2009 Annual Report (page ii) that "a sluggish economy and fair weather resulted in lower energy sales". Xcel also states in their 2010 Year End Earnings Report that despite a 3.2% *decrease* in Electric Residential Sales, their "higher 2010 ongoing earnings" are "primarily due to improved electric margins as a result of new rates in various jurisdictions" along with "warmer summer temperatures."

This brings up my first question to you: ***How can Xcel justify having their rates subsidized by increasing ours WHILE AT THE SAME TIME Xcel asks to build a new project which is supposedly to meet increased demand?*** How can the projected demand be so much if Xcel is getting paid so little for the electricity people are already consuming that it requires a rate increase to cover operating expenses? Xcel seems to think it can continue to rely on rate case settlements to meet their earnings goal. I do not think it is in the best interest of the people of Minnesota to continue subsidizing increased operating costs and a higher cost to transmit energy along long distances, when local, alternative, cost-effective solutions are available to such a dense urban neighborhood.

Also, if Xcel really felt this was a problem, I have major concerns that they did not file for the Route Permit Application until 2009. According to their own records, they well knew about the capacity problem in 2002 when this Focused Study Area in South Minneapolis was already above the 75% Utilization rate and had been for more than a year (*see CON: Figure 27: Southtown Transformer Peak Demand % Utilization, Sec. 4.5, pg 53*). They are dealing with large transmission often enough, I find it incredulous that they could think that our energy needs would go down without a major change in circumstances. To be more clear, I think that the PUC must demand a satisfactory answer as to why Xcel took so long to announce this issue (over seven years!), and why they did not bury the line under the Lake Street construction project, when clearly they were involved and knew about the problem at this time. Please consider this as you evaluate the "need" for this project.

We applaud Xcel's efforts to reduce toxic emissions such as the conversion of the Riverside plant and their commitment to wind, but we hope that these large projects are not just tokens that they can point to, saying "See - we did that", without any heart into their ongoing standard operating procedures. **I find it hard to reconcile Xcel's true commitment to Demand Side Management (DSM) and Alternative Energies when at the same time their financial operations are impacted negatively due to mild weather** (*Xcel Energy's 2009 Annual Report, pg. 40*).

I especially find this difficult having read "Section 5.0 Other Alternatives" in the CON. Reading each section, I felt like I asked my child to finish eating his dinner, and instead of eating, he just moved the pieces around on the plate. It is MN State Policy that we achieve 25% of renewable energy by 2025 (*MN Stat. 41A.11*). The State of Minnesota has a wonderful opportunity in front of us – we have a chance to have communities, neighbors, the state, and the utilities to work together to provide real solutions. I frankly am stunned that Xcel would offer such trite proposals. On this alone, the PUC must admonish Xcel Energy and the blatant disregard for the law to which they should respect.

**In order to effectively assess alternatives, each alternative strategy needs to be evaluated as part of a comprehensive package rather than singly.** Xcel blithely suggests that if we look at solar, we can ONLY look at solar. Or since wind only comes at night it's not possible because their proposal would operate continuously. Not to mention when they evaluate the alternatives, they suddenly calculate to more than twice (120MW) what they claim our current need is, without realizing the benefits of the added generation that exists from such proposals. What about a mixed blend, where solar generates electricity during the day, small-wind turbines operate during the night, and permanent load shifting technologies are employed at the major users such as MGM, Allina, and Wells Fargo? In fact, Xcel did not even *offer* Thermal Energy Storage (TES) or Permanent Load Shifting (PLS) technology as a possibility. I will include a peer-reviewed document from Retrofit Originality Inc. on Thermal Energy Storage attached in my comment. It is tailored and written for the energy crisis in California, but this is written by one of the providers of a real solution offered by the Southern California Edison Power Company (see <http://www.sce.com/pls/permanent-load-shifting.htm>). It makes sense that since the threat to creating a first contingency system is higher during the peak demand of summer's need for air conditioning, that systems that shift the burden of generation to nighttime is something especially worth considering. Especially when coupled with the fact that it could run off of wind during the night, with solar running the high-efficiency, low-energy fans needed to blow the cool air around the buildings during the day.

**When evaluating alternatives, the long term payback and economic impact should be considered rather than just upfront costs.** Externalized costs of the project also should be included rather than only monetary costs, including health and environmental implications of the lines. Xcel suggests that solar alone is too costly, but doesn't calculate the increasing cost of petroleum that will soon be ever out of reach to transport the coal to burn directly or even to create nuclear power. When evaluating what's possible, national best practices, e.g. highly effective case studies, should be used rather than only Xcel's programs which have relatively low adoption rates.

I also believe in consideration of this proposal, the PUC must ensure to comply with MN Stat. 216E Subd. 7 (e) "The commission must make specific findings that it has considered locating a route for a high-voltage transmission line on an existing high-voltage transmission route and the use of parallel existing highway right-of-way and, to the extent those are not used for the route, the commission must state the reasons." The Advisory Task Force (ATF), at whose meetings I was present, proposed this as an alternative route (E1) which was redesigned by Xcel as route E2, but dismissed in the Environmental Impact Statement (FEIS Section 7) due to issues with permitting by MN-DOT. Now, I'm not supporting route E2 either (because this project is unnecessary) but I'd like to point out that I should think that if MN-DOT thinks permitting this is too inconvenient, I certainly hope the long-term value of our community is given a higher standard than a *freeway*.

I thank you for your deepest consideration of the thoughts received from the community as to the necessity of this project, and urge you to remember that we are adaptable, we are resilient, and we will solve the challenges ahead of us. We just must remember not to solve them on the backs of others, or by drawing down our future.

Sincerely,

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